

March 3, 2008

Mr. James J. Sheppard
President and Chief Executive Officer
STP Nuclear Operating Company
South Texas Project Electric
Generating Station
P.O. Box 289
Wadsworth, TX 77483

SUBJECT: SOUTH TEXAS PROJECT, UNITS 1 AND 2 – REQUEST FOR ADDITIONAL
INFORMATION RE: REQUEST FOR EXEMPTION FROM REQUIREMENTS OF
10 CFR 50.82(a)(8)(i), DECOMMISSIONING TRUST FUNDS (TAC
NOS. MD6869 AND MD6870)

Dear Mr. Sheppard:

The U.S. Nuclear Regulatory Commission (NRC) staff is reviewing the STP Nuclear Operating Company (STPNOC) request for Exemption from Title 10 of the *Code of Federal Regulations* paragraph 50.82(a)(8)(i), dated September 19, 2007. The NRC staff has determined that additional information is needed to continue the review of your request. The enclosed outlines the NRC staff's request for additional information (RAI).

The need for a prompt response to this RAI was communicated to Mr. Scott Head of your staff on February 28, 2008, with a request that STPNOC provide its response to this RAI within 30 days from the date of this letter. The 30-day response is requested to facilitate NRC staff's timely completion of the review of your request.

If there are any questions, please contact me at (301) 415-1476 or email mct@nrc.gov.

Sincerely,

/RA/

Mohan C. Thadani, Senior Project Manager
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

Enclosures: As stated

cc w/encls: See next page

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Docket Nos. 50-498 and 50-499

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cc w/encl: See next page

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OFFICIAL RECORD COPY

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Austin, TX 78711

REQUEST FOR ADDITIONAL INFORMATION
BY THE OFFICE OF NUCLEAR REACTOR REGULATION
EXEMPTION FROM 10 CFR 50.82(A)(8)(I)
DECOMMISSIONING TRUST FUNDS
SOUTH TEXAS NUCLEAR OPERATING COMPANY
SOUTH TEXAS PROJECT, UNITS 1 AND 2
DOCKET NOS. STN 50-498 AND 50-499

1. The STP Nuclear Operating Company (STPNOC, licensee) stated that the cost to construct an on-site storage mausoleum would be \$1.4 million. In addition, STPNOC stated that the mausoleum also resulted in an annual cost to maintain it, and the eventual cost to decommission it. These costs are part of the basis for the exemption request. Please provide a detailed cost for the mausoleum as well as the associated maintenance and decommissioning costs.
2. STPNOC stated that the purpose of the exemption request is to permit the use of the decommissioning trust funds, not to exceed \$20.0 million per unit, for the prompt disposal of certain major radioactive components (MRCs). Please provide a detailed cost breakdown of the projected cost of decommissioning MRCs, up to \$20.0 million per unit, including the type and number of components that would be disposed. If the costs exceed \$20.0 million, provide details of how STPNOC will fund any additional costs.
3. The licensee stated that STP currently has eight steam generators currently being stored on site resulting from the 2000 and 2002 steam generators' replacements. Please describe in detail the \$10,000.00 per year annual costs, and how these steam generators are currently being stored on site. The submittal also stated that STPNOC constructed a separate facility to store these steam generators; please provide a description and the cost of this storage facility. In addition, provide an estimate of the additional annual cost to store the MRCs as a result of replacement of the vessel heads during 2009 and 2010 outages, if the MRCs are not immediately sent for disposal.
4. STPNOC stated that the decommissioning trust balances as of December 31, 2006, totaled \$364.9 million for Unit 1 and \$445.8 million for Unit 2. This is the amount that STP submitted to the NRC for compliance with 10 CFR 50.75(f) to demonstrate that STP exceeded the NRC minimum requirements for radiological decommissioning. In addition, STP stated that the decommissioning site-specific cost estimates included not only radiological cleanup required by NRC, but the costs of dismantling the facilities and restoring the site, as well as the cost for storage and monitoring the spent fuel until the U.S. Department of Energy takes custody of the fuel. STPNOC needs to identify the source of the funds to support these additional non-radiological activities.